

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
ANDREW PAUL GAMBER
LICENSE NO. 255440

A.I.D. NO. 2008- 028

CONSENT ORDER

On this day Julie Benafield Bowman, Arkansas Insurance Commissioner ("Commissioner"), and Andrew Paul Gamber, ("Respondent"), reached an agreement concerning the resident insurance producer's license issued to Respondent by the Arkansas Insurance Department ("Department"). The Commissioner was represented by Nina Samuel Carter, Associate Counsel. The Respondent voluntarily and intelligently waived his right to a hearing and consented to the entry of this Consent Order. The parties agreed as follows:

FINDINGS OF FACT

1. Respondent is currently licensed in Arkansas as a resident life and accident and health insurance producer, license number 255440. Respondent's last address of record at the Department is 2722 E. Nettleton Avenue, Jonesboro, AR 72401.
2. Respondent was terminated by Bankers Life Insurance Company ("Bankers") in April 2006 due to Respondent's violation of the established policies and procedures of Bankers.

3. According to a complaint filed by M.J. Fox, Jr., on or about February 15, 2006, Respondent replaced four annuities the Fox family had in order to obtain a higher rate of interest. The transfer resulted in approximately \$4,000 in surrender charges. Further, Mr. Fox alleges that there are irregularities in the signatures of his father, mother, sister, and himself in the paperwork for the transfer of annuities.

4. According to a complaint filed in June 2006 by Gail Reynolds, her parents, Mack and Lola Reynolds, believed that they had purchased Long Term Care policies with Bankers Life from the Respondent. Subsequently, the Reynolds discovered they only had Convalescent Care, which is short term care of 180 days. The Reynolds feel that they were misled by the Respondent.

5. According to a complaint filed in January 2006 by Jimmy and Linda Weatherspoon, their policy applications and medical questionnaires did not contain accurate information. The Weatherspoons discovered that their life insurance policies had incorrect birthdates and that although they had told Respondent that Mr. Weatherspoon had asthma-emphysema and that Mrs. Weatherspoon was diabetic and had a seizure disorder, the "no" boxes were incorrectly checked on the medical questionnaire portion of the policy application. Respondent did not ensure that the information on the insurance applications were correct.

6. According to a complaint filed in July 2006 by Donald and Martha Williams, Respondent misled them when he initially sold them their Bankers policies. The Williamses thought they were purchasing IRA's, although they

were actually sold Bankers Universal Life Policies. Respondent assured the Williamses that they could access their money without penalty. However, with a Universal Life Policy their money was not invested and not only could they not access their money, they were incurring additional premium charges. Upon receiving premium notices in the mail, they contacted Respondent, who advised them to disregard the notices. Mrs. Williams contacted Bankers several times for an explanation of the policy and finally concluded that Respondent misrepresented the terms and types of policies he sold them. Respondent later met with the Williams in an attempt to move their annuities from Bankers to Allianz. An application was submitted to Allianz for this transfer. However, the Williams claim that they never intended to, nor knowingly signed an application for Allianz.

7. For the above actions, the Department alleges that Respondent is in violation of the Insurance Code for: Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance, in violation of Ark. Code Ann. § 23-64-512(a)(5); Forging another's name to an application for insurance or to any document related to an insurance transaction, in violation of Ark. Code Ann. § 23-64-512(a)(10); Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility, in violation of Ark. Code Ann. § 23-64-512(a)(8); Churning of business by replacing an existing policy that is not for the benefit and betterment of the insured, in violation of Ark. Code Ann. § 23-66-206(2); Making false or fraudulent statements or

representations in, or relative to, an insurance policy, in violation of Ark. Code Ann. § 23-66-206(8); Making false or fraudulent statements or representations in, or relative to, an application for insurance, in violation of Ark. Code Ann. § 23-66-305; Failing to provide reasonable and professional service to each insured or prospective insured, in violation of Ark. Code Ann. § 23-66-307(a)(1); Failing to exercise discretion and good faith in the insurance sales presentation or transaction, in violation of Ark. Code § 23-66-307(a)(2); and Failing to improve upon existing insurance by providing better coverage or a more suitable product for the needs of the insured, their family, or business, in violation of Ark. Code Ann. § 23-66-307(a)(3).

CONCLUSIONS OF LAW

1. That the Commissioner has jurisdiction over the parties and over the subject matter herein pursuant to Ark. Code Ann. § 23-61-103.

2. That pursuant to Ark. Code Ann. § 23-64-512(a) and § 23-64-216(d)(1), if the Commissioner finds that one or more grounds exist for the suspension or revocation of any license under § 23-64-216(a)(1), the Commissioner in his or her discretion may impose upon the licensee an administrative penalty in the amount of up to one thousand dollars (\$1,000) per violation or up to five thousand dollars (\$5,000) per violation if willful misconduct on the part of the licensee is found.

3. That Respondent has been made fully aware of his right to a hearing and has voluntarily and intelligently waived said right and consents to the entry of this Consent Order.

THEREFORE, in consideration of these Findings of Fact and Conclusions of Law, it is hereby ordered and agreed that:

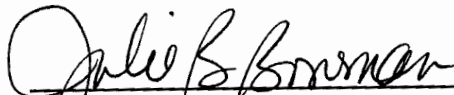
A. Respondent's resident Arkansas insurance producer's license(s) is placed in probationary status for two years from the date of this Order. As part of the Probation, Respondent is required to take one additional hour of Ethics Continuing Education in his first year of probation, in addition to the hour of Ethics required in Ark. Code Ann. § 23-64-301. The additional hour of Ethics will not count toward the Ark. Code Ann. § 23-64-301 Continuing Education requirement. Respondent must provide documentation of completing the additional hour of Ethics to both the Licensing Division and the Legal Division of the Arkansas Insurance Department within one year from the date of this Order.

B. Pursuant to Ark. Code Ann. § 23-64-216, Respondent shall also pay an administrative penalty of \$2,000. The administrative penalty shall be paid within 90 days from entry this Order.

C. Respondent is advised that probationary status means that the imposition of additional insurance license sanctions that the Commissioner may impose by law or by informed consent upon him is suspended contingent upon his compliance and good conduct during this probationary period. See Ark. Code Ann. §§ 23-64-216 and 23-64-512.

D. If Respondent violates the terms of this probation or any provision of the Insurance Code during the probation period, Respondent's license will be suspended and a revocation hearing will immediately be set and will result in statutorily imposed sanctions. See Ark. Code Ann. §§ 23-64-216 and 23-64-512.

IT IS SO ORDERED THIS 14th day of April, 2008.



JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS



Andrew Paul Gamber